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## **Thailand**

**Post:** Bangkok

### **Weekly Rice Price Update**

#### **Report Categories:**

Grain and Feed

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#### **Report Highlights:**

TH9177 Domestic and export prices fluctuated due to soaring demand from the Philippines. In addition, the Indian government showed interest to buy 2.0 million tons of Thai white rice under a Government-to-Government contract.

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 23, 2009**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	960	-	960	-	960	940	-	955	998
WR 100 B	545	-	570	-	560	565	580	564	562
PB 100%	575	-	620	-	580	585	580	588	588
PB 5%	570	-	600	-	570	580	570	578	577
WR 5%	520	-	550	-	530	540	550	538	539
WR 10%	510	-	-	-	520	530	-	520	512
WR 15%	485	-	-	-	-	510	-	498	485
WR 25%	450	-	-	-	-	480	-	465	448
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	335	-	320	-	350	370	-	344	326
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.05 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices fluctuated due to soaring demand from the Philippines which will tender an additional 600,000 tons of 25% grade white rice for February – May 2010 delivery on December 15, 2009, this comes after announcing tenders in the same amount for December 1<sup>st</sup> and 8<sup>th</sup>. Also, the Indian government showed interest to buy 2.0 million tons of Thai white rice under a Government-to-Government contract. Details of the contract are expected to be discussed by the end of the month. As a result, prices of broken white rice increased significantly by 5.0 percent since domestic supplies are becoming tighter as exporters are rushing to secure broken rice supplies of 25% grade white rice. Both exporters and foreign buyers are reportedly hesitant to conclude deals due to the current price volatility.

Due to the significant increase in domestic prices, farmers will likely receive less compensation from the new price insurance scheme. However, they will benefit from higher market prices than the established benchmark prices. Meanwhile, the additional government measures (direct purchase of 4.0 million tons of white rice paddy and on-farm storage fragrant rice paddy) have lost their luster as farmers enjoy current high market prices.

**Table 2: Price Insurance Scheme for MY 2009/2010 rice crop**

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/</sup>					
Oct. 1-15	14,986	13,899	9,896	7,523	8,806
Oct. 16-31	14,940	13,860	8,940	7,470	8,466
Nov. 1-15	14,840	13,729	9,175	7,680	8,389
Nov. 16-30	13,002	12,620	10,501	8,473	8,914
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15	314	401	104	1,977	1,194
Oct. 16-31	360	440	1,060	2,030	1,534
Nov. 1-15	460	571	825	1,820	1,611
Nov. 16-30	2,298	1,680	-	1,027	1,086
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-31	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15	14,075	14,000	9,775	8,800	8,525

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009

<sup>b/</sup> The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

## Rice Export Update

Unofficial exports (excluding fragrant rice) for November 16-22, 2009 totaled 113,768 tons, up 1,468 tons from the previous week, and up 5,201 tons from the four-week moving average of 108,570 tons. Exports of white rice during January 1- November 22, 2009 totaled 5,350,429 tons, as compared with 7,047,038 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – November 13, 2009 amounted to 7.5 million tons, up 18.4 percent from the previous year. The current price fluctuation will likely slowdown the shipments during November – December below 0.8 million tons as both foreign buyers and exporters are reluctant to conclude deal. As a result, total rice exports are expected at 8.5 – 8.6 million tons in CY2009.

**Table 3: Weekly rice exports (excluding fragrant rice)**

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Sep 6	105,702	120,985	4,071	5,988	-32.0
Sep 13	134,061	126,434	4,205	6,118	-31.3
Sep 20	142,128	130,406	4,348	6,246	-30.4
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4
Nov 1	114,220	117,520	5,030	6,827	-26.3
Nov 8	93,983	113,965	5,124	6,908	-25.8
Nov 15	112,300	116,441	5,237	6,997	-25.2
Nov 22	113,768	108,568	5,350	7,047	-24.1

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Source: Board of Trade of Thailand

**Table 4: Weekly private registered rice export sales**

Movement (MT)	Nov. 2-6	Nov. 9-13	Nov. 16-20
Weekly sales	76,914	149,241	50,629
4 week sum	473,546	471,003	398,073
4 week mov. avg.	118,387	117,751	99,518
Total weekly sales	5,472,556	5,621,797	5,672,426

End of report.